

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:
**THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO**, as representative of the

COMMONWEALTH OF PUERTO RICO,

Debtor.

**ASOCIACIÓN PUERTORRIQUEÑA DE LA
JUDICATURA, INC.,**

Movant,

v.

**THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,**

as representative of the

COMMONWEALTH OF PUERTO RICO,

Respondent.

No. 17 BK 3283 (LTS)

RE:
Puerto Rico Oversight, Management,
and Economic Stability Act
("PROMESA"),
Title III Petition for Adjustment of
Debts, 48 U.S.C. § 2161 et seq.

STIPULATION AND REQUEST FOR COURT APPROVAL

A. THE PARTIES TO THE STIPULATION

1. The **ASOCIACIÓN PUERTORRIQUEÑA DE LA JUDICATURA, INC.** ("APJ") is the Plaintiff in case with Civil Number 17-1580 (FAB) filed in this Honorable Court on May 3, 2017 and requesting declaratory judgment regarding an alleged *ultra vires* act of the **FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO** and a creditor of the **COMMONWEALTH OF PUERTO RICO**. The

supporting brief filed by the APJ sets forth its basis for the complaint founded on concepts of judicial independence and separation of powers.

2. The **COMMONWEALTH OF PUERTO RICO** (the "Commonwealth") is the Petitioner in the above-captioned matter requesting adjustment of its debts pursuant to Title III of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"), 48 U.S.C. 2161 et seq. (PROMESA Title III -Adjustment of Debts).

B. PROCEDURAL BACKGROUND

3. On May 15, 2017 the Financial Oversight and Management Board for Puerto Rico (the "FOMB") filed the *Financial Oversight and Management Board's Statement Regarding Title III Case and Automatic Stay of Proceedings*. Docket No. 9.
4. On May 17, 2017 an Order was issued staying this case. Docket No. 10.
5. The APJ is contemplating filing a motion to lift or modify this stay.

C. THE EVENTS CURRENTLY TRANSPIRING

6. Soon after the APJ filed its *Complaint for Declaratory Relief* on May 3, 2017, the legal representatives of the FOMB and the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") contacted the legal representative of the APJ to discuss the procedural developments in this matter and the possibility of working out certain stipulations.
7. Since then, there have been various meetings and telephone communications between the legal representatives of the APJ, AAFAF and the FOMB, the last one occurring on May 24, 2017, all aimed at discussing common grounds for the purpose of moving the relevant matters forward and possibly towards a resolution of the substantive questions before these parties.

8. The above-identified parties wish to continue their conversations aimed at reaching an agreement as to this matter and the signatories below believe that, with some time, the good faith effort of the parties may produce the desired result for all concerned.
9. The above-identified parties submit to this Honorable Court the stipulation agreed among themselves to allow conversations to continue their course while generating economies for the parties and preserving essential procedural and substantive rights.

D. STIPULATION

10. The APJ, the FOMB, and AAFAF hereby **STIPULATE** that, during the time that conversations among the parties are ongoing and the intent of the parties is to continue with the negotiating process, APJ reserves and preserves its right to pursue its claim and does not waive any procedural or substantive rights that arise from the case with Civil No. 17-1580 or from its involvement as a creditor in the Commonwealth's Tittle III case. During this period of negotiations, however, APJ will voluntarily refrain from filing a motion to lift the stay as a sign of good faith to encourage ongoing negotiations.
11. Furthermore, at the time that, and if at all, the current negotiations are deemed unsuccessfully terminated by the parties, and this Honorable Court is so informed by joint or separate motion to that effect, in defending any position presented by the APJ before this Honorable Court in case number 17-1578 or 17-1580 and/or any other proceeding related to the matters in the identified cases, the FOMB and AAFAF will not present any defense or defenses the basis of which is the failure by the APJ to act in any manner during the time that the conversations are ongoing.

WHEREFORE, the parties respectfully request that this Honorable Court **APPROVE** the stipulation detailed above.

RESPECTFULLY SUBMITTED.

This 13th day of June, 2017.

for **ASOCIACIÓN
PUERTORRIQUEÑA DE LA
JUDICATURA, INC.**

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SO ORDERED.

Dated: July 3, 2017

/S/ Laura Taylor Swain

LAURA TAYLOR SWAIN

United States District Judge